

DISASTER ASSISTANCE

Federal Disaster Loans for Homeowners, Renters and Businesses of All Sizes

**SBA DISASTER LOANS FOR HOMEOWNER ASSOCIATIONS (HOA)
PLANNED UNIT DEVELOPMENTS (PUD), CONDOMINIUM
AND OTHER COMMON INTEREST DEVELOPMENTS**

UNIT OWNER FACT SHEET

LOANS TO QUALIFIED APPLICANTS

SBA disaster loans of up to \$200,000 are available to individual unit owners of HOAs, PUDs, Condominium, and other common interest developments (Associations) to repair or replace disaster damages not fully covered by insurance or other disaster recoveries. Individuals may also borrow up to \$40,000 to replace damaged or destroyed personal property not covered by insurance, etc. Individuals may not borrow money to repair common areas that are the responsibility of the Association.

ASSESSMENTS

Unit owners may borrow funds to cover a onetime assessment by the Association for the repair of common areas. Any assessment amount is added to the amount you may borrow for unit repairs. The combined amount may not exceed \$200,000 plus up to \$40,000 for personal property.

COLLATERAL

In a Presidential declaration, home loans over \$25,000 must be secured to the extent possible. For Agency declarations, loans over \$14,000 must be secured to the extent possible. The SBA will not decline a loan if you do not have enough collateral, but will ask for whatever collateral is available. The usually consists of a mortgage or deed of trust on the unit.

REFINANCING

In some cases, SBA may be able to refinance existing mortgages up to the amount of the real estate damage or up to \$200,000 whichever is less.

LOAN DISBURSEMENT

Personal Property: SBA may disburse up to \$25,000 initially if your loan includes personal property losses.

Real Estate: SBA requires a letter from the Association confirming the proposed unit repairs will not be damaged when the common areas are repaired.

COMMON AREA DAMAGES

The Association may apply to SBA for up to \$2 million to repair damages to the common areas.

WHAT WE NEED TO PROCESS THE APPLICATION

- A completed *Disaster Home Loan Application* (SBA Form 5C)
- A completed *Tax Information Authorization* (IRS Form 8821)
- Information on your personal insurance coverage for your unit and personal property, and any claims you may have filed. We also need documentation of your Association's insurance coverage and any recoveries they may have received or filed.
- We will also need a copy of any resolutions passed and the Association's conditions, covenants, and restrictions (CC&Rs) or Declaration and any amendments and all exhibitions.

NOTE: If we approve a loan for you, we will request a copy of the *unit* deed to the property.

LOANS ARE FOR DISASTER REPAIRS ONLY

SBA disaster loans must be used to pay for disaster related repairs. They cannot be used to pay for any upgrades to the property, unless such upgrades are code required.

MITIGATION

SBA disaster loans can be increased by up to 20% of the verified physical loss to pay for elective upgrades to prevent future disaster damage from a similar disaster.

IF THE DEVELOPMENT WILL NOT BE REPAIRED OR REBUILT

If the development will not be repaired or rebuilt, individual unit owners may apply to SBA for relocation assistance. This means you may have eligibility for the full replacement value of your unit and your share of the common area minus any disaster recoveries you have received, up to our lending limits. You must submit a relocation plan to SBA for approval.

IF YOU DON'T PARTICIPATE IN THE REBUILDING OF YOUR ASSOCIATION

If you voluntarily relocate, you may borrow only the amount equal to your uncompensated losses.

IF YOUR INDIVIDUAL UNIT IS A RENTAL UNIT

If you own a unit and it is a qualified rental property, you may apply to SBA for a disaster business loan.

For further information on obtaining disaster assistance,
please call SBA at (800) 659-2955.